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## ***BPA inks first power sales contract in new millennium***

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### **Bonneville Power Administration**

**FOR IMMEDIATE RELEASE: TUESDAY, May 2, 2000**

PR 53 00

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**PORTLAND, Ore.** – After more than two years of discussions and public hearings, the Bonneville Power Administration has offered a new type of power sales contract to its utility customers. The contracts are designed to spread the benefits of low-cost federal hydropower throughout the Northwest.

"The City of Albion, Idaho, with only 160 customers, is the first of more than 100 utilities that will commit to purchase power from BPA under the new contract terms," said Judi Johansen, BPA administrator. "We believe these contracts preserve the benefits of Northwest resources for Northwest residents."

BPA expects to sign agreements with consumer-owned and investor-owned utilities. Nine large industrial customers are also eligible to purchase power directly from the agency. The contracts take effect Oct. 1, 2001, and extend for up to ten years at the option of the utility customer. About 8,000 average megawatts (aMW) of power is on the block – roughly 40 percent of the total electrical energy available in the region.

Johansen said the contracts spell out many new terms and conditions for selling low-cost power from the Federal Columbia River Power System to customers in Washington, Oregon, Idaho and Montana. Key features of the contracts preserve preference for public agencies and cooperatives while providing substantial benefits to investor-owned utilities for their farm and home customers.

The agreements also provide for incentives to encourage utilities to develop conservation and renewable resources. They contain new types of products and services geared to the evolving competitive market in the electricity industry. In several weeks, BPA will announce a decision on the rates that will apply to the contracts. Utility customers may begin signing the contracts immediately, while offers will be made to industrial customers this summer.

"While no groups of customers may be getting all they want, the contracts strike a balance among diverse and often competing regional interests," said Johansen.

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